

**JIM COSTA**

20TH DISTRICT, CALIFORNIA

EMAIL: congressmanjimcosta@mail.house.gov

WEB PAGE: www.house.gov/costa

COMMITTEE ON RESOURCES

SUBCOMMITTEE ON

WATER AND POWER

SUBCOMMITTEE ON  
ENERGY AND MINERAL RESOURCES**Congress of the United States  
House of Representatives**

Washington, DC 20515

March 10, 2006

**RECEIVED**

APR - 4 2006

Federal Communications Commission  
Office of the Secretary

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Narda Jones  
Division Chief  
Wireline Competition Bureau  
Federal Communications Commission (FCC)  
445 Twelfth Street, SW, Room 8-C453  
Washington, DC 20554

VIA FACSIMILE

Dear Ms. Jones:

This letter is concerning the congressional inquiry for Mr. Kim Jacobsen, Director of Technology for Sanger Unified School District in Sanger, California concerning a dispute the School District has with FCC concerning their E-Rate Program.

Our office first initiated a congressional inquiry via faxed letter on October 7, 2005 concerning this matter (see enclosed). Sanger did not formally appeal their FCC August 31, 2005 letter because they treated our congressional inquiry as their appeal. Therefore, we are requesting that FCC treat the October 7, 2005 letter from our office as the official notice of appeal, which would have been well within their 60 day appeal time frame.

Unfortunately, Sanger Unified did not receive the services they were entitled to from their provider. They did receive for a small amount of time beginning in July 2000, internet access from SprintNet, Inc. and is willing to set-up a payment plan for these services (see enclosed).

Thank you in advance for any information you can provide to help resolve this situation. Please direct all responses concerning this matter to Kelly Gill, Director of Constituent Services in my Fresno office via telephone at (559) 495-1620 or via email at: kelly.gill@mail.house.gov

Sincerely,



JIM COSTA

Member of Congress

JC/ksg  
Enclosure

No. of Copies rec'd 0 + 2  
List A B C D E

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1004 LONGWORTH HOUSE OFFICE BUILDING  
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855 M STREET, SUITE 940  
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2700 M STREET, SUITE 225  
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FAX: (661) 869-1027



## SANGER UNIFIED SCHOOL DISTRICT

1905 SEVENTH STREET • SANGER, CA 93657

(559) 875-6821 / 237-3171 FAX 875-0311

MARCUS P. JOHNSON, SUPERINTENDENT

March 8, 2006

Kelly Gill

Director of Constituent Services

Congressman Jim Costa

Fresno District Office

855 M Street

Fresno, CA 93721

Dear Ms. Gill,

This letter is to confirm the purpose of our visit on Wednesday, October 5, 2005 was to begin the process of writing an appeal to the Federal Communications Commission (FCC) in regards to the recent denials by the Schools and Libraries Division (SLD) as stated in the August 31, 2005 letter from the Universal Service Administrative Company (USAC). This Sanger appeal to the FCC was to come via a Congressional Inquiry initiated by Congressman Costa's office.

The Sanger Unified School District is willing to set up a payment plan for the E-rate service that it did receive which was for Internet Access during the 2000-2001 Funding Year. These services were received SprintNet Inc. and were re-sold to Sanger USD by Airon System, Inc. for the months of July, 2000 – February, 2001 at which time our Internet Access was cancelled due to non-payment. (See attached Sanger USD Letter of Appeal dated April 4, 2005 for further details.)

The amount of money for Internet Access that Sanger USD is responsible for is \$11,340.00. This amount is based on six connections for various Sanger school sites using the appropriate E-rate discounts for those Sanger school sites.

Site	E-rate discount %	Rate	Amount Due
Washington School	90 %	8,100.00	\$ 810.00
Sanger High School	80 %	8,100.00	\$ 1,620.00
Sanger Academy School	80 %	8,100.00	\$ 1,620.00
Sanger Academy School	80 %	8,100.00	\$ 1,620.00
Education Center	70 %	8,100.00	\$ 2,430.00
John Wash School	60 %	8,100.00	\$ 3,240.00

In regards to the other products and services that are part of this entire appeal process, no such products and services were received by the Sanger Unified School District as the service provider was under investigation and could not be reached.

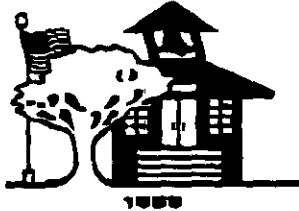
Thank you for your time and effort in trying to resolve this E-rate appeal process for the Sanger Unified School District.

Sincerely,

Kim A. Jacobsen

"A Tradition of Excellence"

Trustees: Peter R. Filippi Jim Gonzalez Paul Hernandez James D. Karle  
Kenneth R. Marcantonio Steve Mulligan Jesse Vasquez



## SANGER UNIFIED SCHOOL DISTRICT

1905 7th STREET • SANGER, CALIFORNIA 93657 • (559) 875-8521 / 237-3171 FAX 875-0311

### ASSOCIATE SUPERINTENDENTS

Michael Giovannetti, Ed.D. • Marc Johnson • Lloyd Kuhn

April 4, 2005

Letter of Appeal  
Schools and Libraries Division  
Box 125 - Correspondence Unit  
80 South Jefferson Road  
Whippany, NJ 07981

Re: FRN # 451130, # 450983, # 451033, # 451044, # 452267, and # 451089

Dear Sirs:

This letter is an appeal as outlined in the "Notification of Improperly Disbursed Funds Letter" dated February 8, 2005.

Funding Request Numbers: 451130, 450983, 451033, 451044, 452267, and 451089

Applicant Name: Sanger Unified School District

Form 471 Application Number: 203357

Billed Entity Number: 144057

FCC Registration Number: 0008244543

The following is the contact information for the person most readily available to discuss this appeal for Sanger Unified School District.

Kim A. Jacobsen  
Director of Technology  
Sanger Unified School District  
1905 7th Street  
Sanger, CA 93657

E-mail address: kim\_jacobsen@sanger.k12.ca.us

Office telephone #: 559-875-5182

Fax telephone #: 559-875-1302

This appeal, for the above six FRN numbers, is difficult because much of the information is scrambled. From what can be certain after-the-fact is:

- 1) Sanger Unified School District was using six T-1 lines
- 2) Sanger Unified School District, the applicant, did not pay the non-discount portion

In regards to fact #1 above, Sanger Unified School District was using four T-1 lines at Washington Middle School, one T-1 line at the Sanger High School and one T-1 line at Quail Lake School for a total of six T-1 lines. There were no T-1 lines at Sanger Academy School, the Education Center or John Wash School.

### "A Tradition of Excellence"

Trustees: Larry Coffin      Pete Filippi      Jim Gonzalez      Paul Hernandez  
                 Jim Karle      Steve Mulligan      Jesse Vasquez

In regards to fact #2 above, Sanger Unified School District, the applicant, did not pay the non-discount portion of the products or services. The reason for non-payment was that the District was not invoiced until an investigation was conducted by the Federal Bureau of Investigation (F.B.I.). Shortly after this investigation started, I received four faxed invoices from Airtron Systems.

Prior to the F.B.I. investigation the company that was really providing the T-1 line service, SprintNet, abruptly cut the service to these lines without any notification to Sanger Unified School District. Service just stopped! Upon looking into the situation, we found that Airtron was the "middle-man" and was reselling the SprintNet services back to Sanger Unified School District and the reason the service was stopped was for non-payment by Airtron. The account for Sanger's T-1 lines was in the rears for five month and the lines were then disconnected.

With the F.B.I. investigation, the disconnection of the six T-1 lines and the "bogus" invoices from Airtron, I felt that the Sanger Unified School District should not pay the non-discount portion of the products or services. The non-discount portion of the monies owed is still available for payment from Sanger Unified School District.

Attached, on pink paper, are the four "bogus" invoices from Airtron Systems, Inc.

The final enclosure, on blue paper, are copies of the Notification of Improperly Disbursed Funds Letter for the above referenced FRN numbers from the Schools and Libraries Division.

If you should need further information or explanations, please do not hesitate to contact me at the above telephone number.

Sincerely,

6

Kim A. Jacobsen  
Sanger Unified School District  
Director of Technology

6

**Congressman Jim Costa, (CA-20)**

855 "M" Street, Suite 940

Fresno, California 93721

(559) 495-1620

FAX 495-1027

**Fax**Date: 11-15-05To: FCC CongressionalFax: 202.418.2806

From:

Kelly Gill  
Director of Constituent Services  
Office of Congressman Costa  
(559) 495.1620  
FAX 495.1027  
kelly.gill@mail.house.gov

Pages (including cover): 12☐ Urgent☒ For Review☐ Please Reply

Comments:

Congressional Unit —  
We fax'd this letter & documents on 10/7/05.  
We haven't received a response. Could  
you review & let me know! Thanks —  
KG

**JIM COSTA**

20TH DISTRICT, CALIFORNIA

EMAIL: congressmanjimcosta@mail.house.gov  
WEB PAGE: www.house.gov/costa**COMMITTEE ON RESOURCES**SUBCOMMITTEE ON  
WATER AND POWER  
SUBCOMMITTEE ON  
ENERGY AND MINERAL RESOURCES**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515****COMMITTEE ON AGRICULTURE**SUBCOMMITTEE ON  
LIVESTOCK AND HORTICULTURESUBCOMMITTEE ON  
DEPARTMENT OPERATIONS, OVERSIGHT,  
NUTRITION AND FORESTRYSUBCOMMITTEE ON  
GENERAL FARM COMMODITIES AND  
RISK MANAGEMENT**COMMITTEE ON SCIENCE**SUBCOMMITTEE ON  
SPACE AND AERONAUTICS

October 7, 2005

Diane Atkinson  
Congressional Liaison Specialist  
Federal Communications Commission  
445 Twelfth Street, SW, Room 8-C453  
Washington, DC 20554

Dear Ms. Atkinson:

This letter is on behalf of my constituent, Mr. Kim Jacobsen, Director of Technology for Sanger Unified School District in Sanger, California.

We are inquiring as to why Sanger Unified is having such difficulties with the Schools and Libraries Division of USAC concerning compliance issues with Sanger's E-Rate Program.

My office was informed that unfortunately, Sanger Unified was misled by a fraudulent consultant who was working on their E-Rate Program. A FCC audit was performed and a decision was given that Sanger Unified was not in compliance with FCC Rules regarding E-Rate Program's. Enclosed please find the information we have pertaining to this inquiry. Thank you in advance for any information you can provide.

If you have any questions, please contact my Director of Constituent Services, Kelly Gill in my Fresno District office at (559) 495-1620 or via email at: [kelly.gill@mail.house.gov](mailto:kelly.gill@mail.house.gov)

Sincerely,

JIM COSTA  
Member of CongressJC/ksg  
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school's non-discounted portion of the funding." Based on the findings from the Beneficiary Audit, and your statement on appeal that you "felt that the Sanger Unified School District should not pay the non-discounted portion of services," it is determined that the non-discounted portion of the services requested on these FRNs has not been paid, which is a violation of program rules.

- FCC rules require applicants to certify that, at the time they submit the FCC Form 471, they have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the products and/or services purchased as well as to pay the non-discounted charges for eligible products and/or services. 47 C.F.R. § 54.504(b); FCC Form 471, Block 6 Item 25. The FCC has emphasized the importance of this to protect the integrity of the schools and libraries support mechanism. *Request for Review by New Orleans Public Schools, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45 and 97-21, Order, 16 FCC Rcd. 16,653, DA 01-2097 (rel. Sep. 18, 2001). This rule requires the applicant to pay its service provider the full cost of the non-discounted portion owed to the service provider from the funds budgeted within that funding year.
- SLD's review of your application indicated that the information you provided during the on-site audit was not sufficient to demonstrate that you have paid the non-discounted portion of e-rate funding for this request. In your appeal, you did not demonstrate that SLD has erred in this determination. Consequently, SLD denies your appeal.

**Funding Request Number:** 451122

**Decision on Appeal:** Denied

**Explanation:**

- On appeal, you state that SLD is attempting to recover funds from the wrong entity and that the funds should be recovered from the service provider, Menard Data Maintenance, Inc., since the requested products and services were never delivered to Sanger Unified School District.
- During the internal audit conducted for SLD at Sanger Unified School District, the auditor found that products from forty of the forty-seven funding requests that were invoiced to SLD were never installed at your site. It is evidenced by the auditor's report that the maintenance requested on this funding request was never performed at Sanger Unified School District; however SLD was billed for the service.
- At the time of audit, you confirmed that you were unaware of all the products and services that were billed to SLD and according to you, the invoices and payments were handled only by the consultants, Educational Technology Partners. You



also concurred with the auditor's statement that "Sanger did not pay its required non-discounted portion of \$109,076 for the equipment and services funded by the SLD" and "ETP advised the school that it would acquire grants to pay for the school's non-discounted portion of the funding." The applicant is responsible for knowing what products are requested and delivered and for paying the non-discounted portion of funding. Since you received funding for products that were never received, you are responsible to repay the SLD funds that were disbursed.

**Funding Request Number:** 451124

**Decision on Appeal:** Denied

**Explanation:**

- On appeal, you disagree with the SLD decision to deny your request for failure to pay the non-discounted portion for FRN 451124. You state that SLD is attempting to recover funds from the wrong entity and that the funds should be recovered from the service provider, Sunny Tech Services, Inc., since the requested products and services were never delivered to Sanger Unified School District.
- During the internal audit conducted for SLD at Sanger Unified School District, the auditor found that products from forty of the forty-seven funding requests that were invoiced to SLD were never installed at your site; however, those findings do not apply to this funding request. It is evidenced by the auditor's report that the file server requested on this FRN was indeed installed at Sanger Unified School District.
- However, at the time of audit, you confirmed that you were unaware of all the products and services that were billed to SLD and according to you, the invoices and payments were handled only by the consultants, Educational Technology Partners. You also concurred with the auditor's statement that "Sanger did not pay its required non-discounted portion of \$109,076 for the equipment and services funded by the SLD" and "ETP advised the school that it would acquire grants to pay for the school's non-discounted portion of the funding."
- FCC rules require applicants to certify that, at the time they submit the FCC Form 471, they have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the products and/or services purchased as well as to pay the non-discounted charges for eligible products and/or services. 47 C.F.R. § 54.504(b); FCC Form 471, Block 6 Item 25. The FCC has emphasized the importance of this to protect the integrity of the schools and libraries support mechanism. *Request for Review by New Orleans Public Schools, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45 and 97-21, Order, 16 FCC Rcd. 16,653, DA 01-2097 (rel. Sep. 18, 2001). This rule requires the applicant to pay

its service provider the full cost of the non-discounted portion owed to the service provider from the funds budgeted within that funding year.

- SLD's review of your application indicated that the information you provided during the on-site audit was not sufficient to demonstrate that you have paid the non-discounted portion of e-rate funding for this request. In your appeal, you did not demonstrate that SLD has erred in this determination. Consequently, SLD denies your appeal.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the Federal Communications Commission (FCC). For appeals that have been denied in full, partially approved, dismissed, or cancelled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company